

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

*Codification
District of
Columbia
Official Code*

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To provide, on an emergency basis, due to Congressional review, financial assistance to certain companies based in the District of Columbia that are engaged in the surface transportation, tourism, restaurant, catering, or lodging industries to preserve their continued viability.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Emergency Economic Assistance Congressional Review Emergency Act of 2002".

Sec. 2. Definitions.

Note,
§ 2-1207.12

For purposes of this act, the term:

- (1) "Chief Financial Officer" means the Chief Financial Officer of the District of Columbia.
- (2) "District" means the District of Columbia.
- (3) "Guaranteed loan" means a loan or other debt obligation incurred by a qualified company and funded by a lender pursuant to the terms of section 4, all or part of the principal of which and interest thereon are guaranteed by the District pursuant to this act.
- (4) "Lender" means any non-Federal qualified institutional buyer, as defined in SEC Rule 144A, 17 C.F.R. § 230.144A, or any other commercial lending institution located in the District designated by the Chief Financial Officer with which the District has entered into an agreement pursuant to section 4(a).
- (5) "Obligor" means a party primarily liable for payment of the principal of, or interest on, a loan or other debt obligation funded by a lender.
- (6) "Qualified company" means a business entity which meets the criteria of section 3(a).

Sec. 3. Qualified companies.

- (a) To be eligible to receive guaranteed loans under this act, a company shall meet the following criteria:
- (1) The company shall be based in the District and have employees based in the

District;

- (2) The company shall be a District taxpayer;
- (3) The company shall be engaged in the surface transportation, tourism, restaurant, catering, or lodging industries; and
- (4) The company shall have suffered a loss of revenues as a result of the closing of Reagan National Airport and the subsequent reduced operations ("closure") and the terrorist attacks on September 11, 2001.

(b) It shall be the responsibility of the lender to:

- (1) Review the applications of companies that apply for guaranteed loans under this act to ensure that they meet the requirements set forth in subsection (a) of this section;
- (2) Verify that any applicants approved for guaranteed loans meet the criteria set forth in subsection (a) of this section; and
- (3) Notify the Chief Financial Officer of all guaranteed loans approved and applications denied under this act no later than 5 days after the first day of every month.

(c) The Chief Financial Officer shall report to the Council and the Mayor 15 days after the end of every quarter identifying the guaranteed loans that have been issued in the previous quarter.

Sec. 4. Guaranteed loans for qualified companies.

(a) The District shall enter into agreements with one or more lenders, on such terms and conditions as the Chief Financial Officer, in his or her discretion, shall consider to be appropriate, pursuant to which the District shall guarantee loans to be issued by the lender to qualified companies.

(b) The total amount of obligations guaranteed by the District under this act shall not exceed \$100 million.

(c) Lenders may enter into agreements with qualified companies to issue guaranteed loans pursuant to this act on such terms and conditions as the lenders, in consultation with the Chief Financial Officer, shall determine; provided, that:

(1) The guaranteed loan is initially made after September 11, 2001 and before April 1, 2002;

(2) The final maturity date of the guaranteed loan shall not be more than 10 years after the date the guaranteed loan is initially made and the obligor shall have demonstrated, to the satisfaction of the lender, an ability to repay the guaranteed loan;

(3) The purpose of the guaranteed loan (whether in a term loan or a revolving credit facility) is to pay operating expenses of, or provide working capital to, the obligor;

(4) Guaranteed loans shall bear interest at a rate not to exceed a rate to be agreed upon between the lender and the Chief Financial Officer;

(5) Guaranteed loans shall not require the payment of any compensation to the District or the lender for issuing the guaranteed loan other than an upfront application fee and a

loan fee payable to the lender upon issuance of the guaranteed loan in amounts to be agreed upon between the lender and the Chief Financial Officer; and

(6) The aggregate amount of the guaranteed loans made to any one obligor shall not exceed \$5 million.

(d) Nothing in this act shall be construed to create an entitlement to a guaranteed loan.

Sec. 5. Criteria for issuance of guaranteed loans.

(a) Lenders shall solicit applications for guaranteed loans and shall issue guaranteed loans to qualified companies based on the merits of the company's application within 15 days after receipt of the application. In making a decision whether to issue a guaranteed loan, the lender shall consider:

(1) The impact of the closure and the terrorist attacks on the revenues of the applicant;

(2) The economic impact of the closure and the terrorist attacks on the applicant's employees located in the District;

(3) The extent to which the applicant's business is related to visitors coming into the District;

(4) The extent to which the applicant promotes or facilitates the bringing of visitors to the District; and

(5) The ability of the applicant to obtain financing without assistance from the District under this act.

(b) Qualified companies seeking guaranteed loans shall submit to the lender sworn financial statements or other appropriate data demonstrating profits, creditworthiness, and losses incurred since September 11, 2001, and during the 12 months preceding September 11, 2001. The Chief Financial Officer may audit the statements and may request any information that he or she considers necessary to conduct the audit.

Sec. 6. Funding of guaranteed loan program.

The Chief Financial Officer may use such sums as may be necessary to fulfill the District's obligations with respect to the guaranteed loans issued pursuant to this act, subject to the Chief Financial Officer's determination of the availability of such funds.

Sec. 7. Fiscal impact statement.

The Council adopts the attached fiscal impact statement as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 8. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), and shall remain in effect for no longer than 90 days, beginning on January 31, 2002, as provided for emergency acts of the Council of the District of Columbia in section 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).

Chairman
Council of the District of Columbia

Mayor
District of Columbia